

STATE OF NEW JERSEY
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF:

Proceedings by the Commissioner of)	
Banking and Insurance, to fine, suspend)	ORDER TO
and/or revoke the third party administrator)	SHOW CAUSE
license of Global Claims)	
Administration, LLC)	

THIS MATTER, having been opened by the Commissioner of Banking and Insurance (“Commissioner”), State of New Jersey, upon information that Global Claims Administration, LLC (“Global”) may have violated provisions of the insurance laws of the State of New Jersey; and

WHEREAS, Global is licensed as a third party administrator pursuant to N.J.S.A. 17B:27B-4; and

WHEREAS, Global is subject to the statutes governing third party administrators, N.J.S.A. 17B:27B-1 to -25, and to the regulations governing third party administrators, N.J.A.C. 11:23-1.1 to -4.3; and

WHEREAS, pursuant to N.J.S.A. 17B:27B-13, entities licensed as third party administrators are required to file an annual report with the Commissioner for the preceding calendar year in a form and manner prescribed by the Commissioner; and

WHEREAS, pursuant to N.J.A.C. 11:23-3.8, a third party administrator must file by June 1 of each year an annual report for the preceding calendar year consisting of an audited financial statement prepared on a generally accepted accounting principles (“GAAP”) basis and unaudited

information together with a \$100 filing fee. The unaudited information shall contain the complete names and addresses of all benefits payers with which the third party administrator had a contract in effect during the preceding calendar year and the status of all contracts in effect in the previous year; and

WHEREAS, pursuant to N.J.S.A. 17B:27B-14(d), the Commissioner may suspend or revoke the license of a third party administrator who has violated any lawful rule or order of the Commissioner or any provision of State law; and

WHEREAS, pursuant to N.J.S.A. 17B:27B-24, the Commissioner may impose a civil administrative penalty in an amount not less than \$250 nor more than \$5,000 for each day that a third party administrator is in violation of N.J.S.A. 17B:27B-1 to -25; and

IT APPEARING, that Global was licensed as a third party administrator on January 23, 2017; and

IT FURTHER APPEARING, that by notice posted on the website of the Department of Banking and Insurance (“Department”) on January 2, 2019, third party administrators were advised of the requirement to submit the 2018 annual report by May 31, 2019 and provided with filing instructions; and

IT FURTHER APPEARING, that by email dated July 20, 2019, the Department advised Global that it had not received its annual report that was due on June 1, 2019; and

IT FURTHER APPEARING, that by email dated July 23, 2019 the Department advised Global that its filing was 52 days late; and

IT FURTHER APPEARING, that Global responded by email dated July 23, 2019 stating that it would be sending the paperwork today; and

IT FURTHER APPEARING, that by email dated August 5, 2019 the Department advised Global that it received the company's filing but that it contained a compilation report as of September 30, 2018 instead of an annual audited report on a GAAP basis as of December 31, 2018; and

IT FURTHER APPEARING, that by email dated August 5, 2019 Global advised that the only financial information it has in house is a compilation statement as of September 30, 2018; and

IT FURTHER APPEARING, that by email dated August 5, 2019 the Department asked if the company's accountant was working on an annual audit; and

IT FURTHER APPEARING, that by email dated August 5, 2019 Global advised that the accountant is working on year end information but that it is not yet available; and

IT FURTHER APPEARING, that by email dated August 14, 2019 the Department asked Global when its audited financial statement would be received; and

IT FURTHER APPEARING, that by email dated August 16, 2019 Global responded that its 2018 financial statement is being worked on; and

IT FURTHER APPEARING, that by email dated August 19, 2019 the Department asked Global for a date when the 2018 audited statement would be provided; and

IT FURTHER APPEARING, that by email dated September 4, 2019 the Department notified Global that its filing was 96 days late; and

IT FURTHER APPEARING, that by email dated September 4, 2019 Global advised that it is still awaiting its 2018 financial statements and cannot provide a definitive finish date; and

IT FURTHER APPEARING, that on September 12, 2019 Global provided a compilation financial statement for 2018; and

IT FURTHER APPEARING, that on September 12, 2019 the Department reiterated that an audited financial statement is required; and

IT FURTHER APPEARING, that Global has failed to file its 2018 audited financial statement on or before June 1, 2019, which failure has continued to date, and that Global's 2018 audited financial statement is over 125 days late;

NOW THEREFORE IT IS ON this 14th day of October 2019

ORDERED, that Global appear and show cause why its third party administrator license should not be suspended or revoked pursuant to N.J.S.A. 17B:27B-14; and

IT IS FURTHER ORDERED, that Global appear and show cause why the Commissioner should not assess a civil administrative penalty of not less than \$250 nor more than \$5,000 for each day that Global was in violation of N.J.S.A. 17B:27-13; and

IT IS PROVIDED, that Global has the right to request an administrative hearing, to be represented by counsel or other qualified representative, at its own expense, to take testimony, to call or cross-examine witnesses, to have subpoenas issued, and to present evidence if a hearing is requested; and

IT IS FURTHER PROVIDED, that unless a request for a hearing is received within twenty (20) days of the service of this Order to Show Cause, the right to a hearing in this matter shall be deemed to have been waived by Global, and the Commissioner shall dispose of this matter in accordance with law. A hearing may be requested by mailing the request to Virgil Downtin, Chief of Investigations, Department of Banking and Insurance, P. O. Box 329, Trenton, NJ 08625 or by faxing the hearing request to the department at (609) 292-5337. The request shall include:

- (a) The Respondent's name, current address and daytime telephone number;
- (b) A statement referring to each charge alleged in this Order to Show Cause and identifying any defense intended to be asserted in response to each charge.

Where the defense relies on facts not contained in the Order to Show Cause, those specific facts must be stated; and

- (c) A specific admission or denial of each fact alleged in this Order to Show Cause. Where Respondent has no specific knowledge regarding a fact alleged in this Order to Show Cause, a statement to that effect must be contained in the hearing request. Allegations of this Order to Show Cause not answered in the manner set forth above shall be deemed to have been admitted; and
- (d) A statement requesting a hearing.



Marlene Caride
Commissioner